(f) whether any formula for sharing the revenue with the states has been evolved; and

(g) if so, what are the details there of;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEK\RA MURTHY): (a) to (g) Different aspects of tax reforms including introduction of Value Added *Tax* and uniformity in sales tax rates were discussed in a conference of State Finance Ministers held on 27.4.94. There was a broad consensus in the Conference about adopting uniform rates of sales tax as well as gradual introduction of VAT. However, most of the States wanted that introduction of VAT should be examined in details. It was reselv-ed accordingly in that conference to constitute a committee of State Finance Ministers to go into all aspects of tax reform including introduction of VAT and uniformity in tax rates. The Committee has since been constituted and its report is awaited.

R.BI to adopt reference rate mtchanism

1075. SHRI SOM PAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India intends to adopt a reference rate mechanism; and

(b) if so, what are the modalities and comparative advantages thereof and by when it is expected to become operative?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) Reserve Bank of India (RBI) has reported that it is attempting to create a mechanism through which the bank rate becoms a reference rate. A reference rate would provide a signal for determining other Interest rates in the system. Details for reference rate are yet to be- worked out and no specific time irame has been set for introducing such a system.

Indian Chemical Feeding Heroin Boom in PAK

1076. SHRI OM PAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's atten tion has been drawn to the news item published under the title 'Indian Chemical Feeding heroin boom in Pak' in the Indian Express dated the 21st January, 1995; and

(b) if so, what steps are being envisaged to tackle the menace?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) Acetic Anhydride, a precursor chemical for manufacture of heroin and methaqualone has been declared as a 'Controlled Substance' under the NOPS Act and a regulation order has been issued to regulate the manufac ture, distribution, sale, imports ex ports and consumption of acetic an hydride. Control have been imposed on the movement of the chemical within 50 Kms of Indo-Pak border and 100 Kms of Indo-Myantnar border under the Customs Act. Import and export of acetic anhydride has also been regulated.

Instructions have been issued, to all the enforcement agencies to maintain utmost vigil and step up enforcement efforts under the stringent provisions contained in HOPS Act. Training is being imparted to officers to improve their effectiveness. Vehicles and communication equipments have been pro-vided, A Part of Indo-Pak border has been fenced. Following quantities of acetic anhydride have been seized (in litres)

1993 1994 1995 (upto 28.02.95) 19,758 45,770 1945